PROCEEDINGS
of
THE TRAVANCORE SRI CHITRA STATE COUNCIL.

(OFFICIAL REPORT).

FIRST COUNCIL.

VOLUME III—NUMBER 1.

THIRD SESSION—1934/1109-1110.

Tuesday, the 24th July 1934/9th Karkatakam 1109.

A Joint Sitting of the Council and the Sri Mulam Assembly met in the Victoria Jubilee Town Hall, at eleven of the clock, the President, Khan Bahadur Sir Muhammad Habibullah Sahib Bahadur, K. C. S. I., K. C. I. E., Kt. LL. D., Dewan of Travancore, presiding.

Mr. R. Nilakanta Pillai (*Financial Secretary to Government*): Sir, I rise to present the Budget Estimates for 1110. Before proceeding to review the financial position for the current and ensuing years, I shall, as usual, explain briefly the results of the last completed financial year.

ACTUALS OF 1108.

2. The final audited figures of ordinary revenue and expenditure charged to revenue for the year 1108 stood at Rs 234·82 lakhs and Rs 227·91 lakhs respectively, against the revised estimates of Rs 232·88 lakhs and Rs 231·71 lakhs. The year thus closed with a revenue surplus of Rs 6·91 lakhs, as against Rs 1·17 lakhs anticipated in the revised estimates. The increase of Rs 5·74 lakhs in surplus was due to the increase in revenue to the extent of Rs 1·94 lakhs and to the decrease in expenditure to the extent of Rs 3·80 lakhs from the revised estimates. The increase in revenue was mostly under Excise (1·60) and Forest (·53), due to better collections during the latter part of the year. The receipts under Land Revenue and Stamps, however, declined by Rs ·59 of a lakh and

LIBRARY ARCHIVES Kerala Legislative Assembly

[Mr. R. Nilakanta Pillai.]

Rs ·71 of a lakh respectively. On the expenditure side, out of the net saving of Rs 3·80 lakhs from the anticipated expenditure, Rs 2·16 lakhs was under Public Works and Rs ·51 of a lakh under Stationery and Printing. The receipts from the sale of Government lands and the capital expenditure not charged to revenue amounted to Rs ·91 of a lakh and Rs 10·92 lakhs respectively, as against the revised estimates of Rs 1 lakh and Rs 11·31 lakhs. The Government Account Balance, which was expected to stand at Rs 113·70 lakhs in the revised estimates for 1108, thus rose to Rs 119·74 lakhs at the close of the year.

Before proceeding to deal with, in detail, the revised estimates for the current year, I shall briefly explain the more important variations.

(1) The capital for the construction of the Shencottah-Quilon Railway was raised by the Secretary of State for India and this Government undertook to guarantee the interest on the capital so invested. The capital cost on the line now stands at Bh. Rs 138·77 lakhs. On the assumption that we are bound to take over the line after 1945 on payment of the capital cost, a sinking fund was created in 1912 which amounted to Bh. Rs 69·43 lakhs at the close of last year. Subsequent investigations into the matter of our liability in connection with the Shencottah-Quilon line have, however, disclosed that our liability is only for underwriting the guaranteed interest on the capital raised for the construction of the State Section of the Railway and not for the repayment of the capital and that if and when the Government of India exercise the right to purchase the line, the Travancore Government, while having the option to purchase the section, will be under no obligation to do so. Thanks to the representations made by Sir C. P. Ramaswami Aiyar, Legal and Constitutional Adviser to His Highness the Maharaja, on behalf of this Government, the Government of India have accepted the above views of the Travancore Government and held that there is no legal obligation on the part of this Government to purchase the Shencottah-Quilon Section of the Railway and that we are at liberty to utilise the Sinking Fund created for repayment of the capital cost on the line for any other purpose we deem fit. The accumulated Railway Sinking Fund balance of Bh. Rs 69·43 lakhs has accordingly been utilised in the following manner.

(i) Bh. Rs 5 lakhs has been set apart to form the nucleus of an Irrigation Reserve Fund.

LIBRARY ARCHIVES Kerala Legislative Assembly

(ii) Bh. Rs 4·95 lakhs has been added on to the Debenture Loan Sinking Fund so that the fund balance may be raised to Bh. Rs 14·49 lakhs which is the aggregate amount of the loan raised in connection with the construction of the Railway from Quilon to Trivandrum. This will enable the Government to discharge the debt in full immediately, instead of waiting till 1941, provided the investors are prepared to surrender the securities to Government and receive payment at par.

(iii) The balance of Bh. Rs 59·48 lakhs has been set apart to form a General Reserve Fund to be drawn upon, in case of absolute necessity, for financing the Pallivasal Hydro-Electric Scheme.

There is thus no necessity to make any further payments towards the sinking funds and the interest on the investments has accordingly been credited to Government under Interest instead of to Sinking funds as hitherto.

(2) The total outlay on the Trivandrum Electric and Telephone Scheme to the end of 1108 amounted to Rs 7·93 lakhs. This scheme is now yielding a reasonable return on the capital invested after meeting the usual depreciation charges. It is expected that the Quilon Electric Scheme and the Pallivasal Hydro-Electric Scheme would also be paying concerns. In these circumstances, Government have decided to treat the expenditure on these schemes as investments on reproductive works.

REVISED ESTIMATES FOR 1109.

3. The budget estimates for the current year were for a total revenue of Rs 230·04 lakhs and provided for a programme of expenditure of Rs 229·21 lakhs, leaving a nominal surplus of Rs ·83 of a lakh. But, on the basis of the actuals so far known, the revenue is expected to stand at Rs 232·66 lakhs and the expenditure charged to revenue, at Rs 237·77 lakhs. The current year is thus expected to close with a deficit of Rs 5·11 lakhs. The ordinary revenue for the year is expected to be better than the original anticipations by Rs 2·62 lakhs. This is the net result of increase in revenue to the extent of Rs 9·52 lakhs expected under some of the revenue heads and decreases amounting to Rs 6·90 lakhs under others. The increase in revenue is mainly under Land Revenue (·45), Salt (1·20), Interest (4·15), Buildings, Communications and Miscellaneous Public Improvements (1·57) and Railways (·55). Under Land Revenue, the increase is mainly under arrears. The receipts under Ayacut revenue are expected to be less than the budget by Rs 3·30 lakhs, due mainly to the general remission of land tax to the extent of 12½ per cent. for the current year on all wet lands in the State and partly to less collections. The increase

LIBRARY ARCHIVES Kerala Legislative Assembly